

# Multiple Regimes in the Preferences for Redistribution

## Online Appendix

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### Abstract

This paper provides novel evidence of nonlinearities in the formation of preferences for redistribution by uncovering evidence of multiple regimes consistent with the presence of multiple equilibria and multiple steady states. Using threshold regressions that account for the endogeneity of the threshold variable, countries are classified into three groups that share common characteristics. Finally, our analysis reveals substantial evidence of parameter heterogeneity in the coefficient estimates of threshold regressions.

**Keywords:** Preferences for Redistribution, Threshold Regression, Multiple Regimes.

**JEL Classification Codes:** C50, P16, E60, Z13.

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**Table A1: Description of Variables**

Data comes from the World Values Survey (WVS), the Penn World Tables (PWT), the Barro and Lee Website (BL), the Standardized World Income Inequality database (SWIID), the Polity IV Project (PIV), the Political Risk Services dataset (PRS), Spolaore and Wacziarg (2016) (SW), Alesina, Devleeschauwer, Easterly, Kurlat, and Wacziarg (2003) (ADEKQ), the Quality of Government dataset (QoG) and the CEPII databases (CEPII)

Preferences for Redistribution	People should take more responsibility to provide for themselves (point 1) Vs Government should take more responsibility to ensure that everyone is provided for (point 10)	WVS
Age	Age of the individual / 10	WVS
Age Square		WVS
Female	Dummy taking the value 1 if the individual is female	WVS
Married	Dummy taking the value 1 if the individual is married	WVS
Unemployed	Dummy taking the value 1 if the individual is unemployed	WVS
Secondary	Dummy taking the value 1 if the individual's higher level of education is secondary	WVS
Tertiary	Dummy taking the value 1 if the individual's higher level of education is tertiary	WVS
Income	Income scale: Lower step (1) - Higher step (10)	WVS
Ideology	Political scale: Right (1) - Left (10)	WVS
Hard Work Vs Luck	In the long run, hard work usually brings a better life (point 1) Vs Hard work doesn't generally bring success, it's more a matter of luck and connections (point 10)	WVS
Buddhist	Dummy taking the value 1 if the individual is Buddhist	WVS
Hindu	Dummy taking the value 1 if the individual is Hindu	WVS
Jew	Dummy taking the value 1 if the individual is Jew	WVS
Muslim	Dummy taking the value 1 if the individual is Muslim	WVS
Orthodox	Dummy taking the value 1 if the individual is Orthodox	WVS
Protestant	Dummy taking the value 1 if the individual is Protestant	WVS
Catholic	Dummy taking the value 1 if the individual is Catholic	WVS
Other Religion	Dummy taking the value 1 if the individual is other religion denomination	WVS
<b>Threshold Variables</b>		
Prefer. for Redistr. (Country)	Mean score of the Preferences for Redistribution variable	WVS
Hard Work Vs Luck (Country)	Mean score of the Hard Work Vs Luck variable	WVS
General Trust	Share of the individuals who believe that most people can be trusted	WVS
Freedom of Choice	Mean score of the Freedom variable: Freedom of choice and control over the way life turns out ranging from None at all (point 1) to A great deal (point 10)	WVS
GDP per Capita	Real GDP per capita (million 2011US\$)	PWT
Total Factor Productivity	Welfare-relevant Total-factor productivity (TFP)	PWT
Human Capital Index	Human capital index	PWT
Schooling	Average years of total schooling (population 25 and over)	BL
Gini (Net)	Gini index of inequality using the post-tax, post-transfer household income	Solt
Gini (Market)	Gini index of inequality using the pre-tax, pre-transfer household income	Solt
Democracy	Revised combined polity score, ranging from strongly democratic (+10) to strongly autocratic (-10)	PIV
Executive Constraints	Executive constraints on decision rules, ranging from unlimited authority (1) to executive parity or subordination (7)	PIV
Believe in God	Share of the individuals who believe in God	WVS
Importance of God	Mean score of the Important of God in life variable: ranging from Not at all important (point 1) to Very important) (point 10)	WVS
Government Stability	A measure of both of the government's ability to carry out its declared programs, and its ability to stay in office, ranging from 0 to 12, with higher values, indicated higher stability	PRS
Corruption	A measure of corruption within the political system, ranging from 0 to 6, with higher values, indicated lower corruption	PRS
Genetic Distance	Genetic distance (relative to US)	SW
Linguistic Distance	Linguistic distance index (relative to US)	SW
Religious Distance	Religious distance index (relative to US)	SW
Ethnic Fractionalization	Ethnic fractionalization	ADEKQ
Linguistic Fractionalization	Linguistic fractionalization	ADEKQ
Religious Fractionalization	Religious fractionalization	ADEKQ
Legal Origin: English	Legal Origin: English Common Law	QoG
Legal Origin: French	Legal Origin: French Commercial Code	QoG
Legal Origin: Socialist	Legal Origin: Socialist/Communist Laws	QoG
Legal Origin: German	Legal Origin: German Commercial Code	QoG
Legal Origin: Scandinavian	Legal Origin: Scandinavian Commercial Code	QoG
Geographic Distance	Geographic distance (relative to US)	CEPII
Internal Distance	Internal distance of the country	CEPII
Landlocked	Dummy taking the value 1 the country is landlocked	CEPII
Latitude	Latitude of the capital of the main city	CEPII

Table A2: **Alternative Estimation Methods**

This table presents the estimation of equation 1, without threshold effects. Heteroskedasticity consistent standard errors, clustered at the country level, are given in the parenthesis. All models include constant, age and age square, country and time fixed effects. \*\*\*, \*\*, and \* indicate the significance of the regression coefficients at 1%, 5%, and 10%.

	Least Squares	Ordered Logit	Ordered Probit	Least Squares	Ordered Logit	Ordered Probit	Least Squares	Ordered Logit	Ordered Probit
Age	0.111*** (0.038)	0.072*** (0.024)	0.044*** (0.014)	0.109*** (0.037)	0.073*** (0.024)	0.044*** (0.014)	0.102*** (0.037)	0.068*** (0.024)	0.041*** (0.014)
Age Square	-0.018*** (0.004)	-0.012*** (0.002)	-0.007*** (0.001)	-0.017*** (0.004)	-0.012*** (0.002)	-0.007*** (0.001)	-0.016*** (0.004)	-0.011*** (0.002)	-0.006*** (0.001)
Female	0.077*** (0.021)	0.053*** (0.013)	0.029*** (0.008)	0.077*** (0.021)	0.054*** (0.013)	0.030*** (0.008)	0.083*** (0.021)	0.057*** (0.013)	0.032*** (0.008)
Married	-0.016 (0.024)	0.002 (0.016)	-0.004 (0.009)	-0.008 (0.024)	0.006 (0.016)	-0.001 (0.009)	-0.004 (0.024)	0.009 (0.016)	0.001 (0.009)
Unemployed	0.155*** (0.041)	0.109*** (0.027)	0.061*** (0.016)	0.169*** (0.040)	0.119*** (0.027)	0.068*** (0.016)	0.165*** (0.040)	0.116*** (0.027)	0.066*** (0.016)
Secondary	-0.196*** (0.028)	-0.136*** (0.018)	-0.073*** (0.011)	-0.218*** (0.028)	-0.151*** (0.018)	-0.082*** (0.011)	-0.218*** (0.028)	-0.151*** (0.018)	-0.082*** (0.011)
Tertiary	-0.192*** (0.032)	-0.129*** (0.021)	-0.073*** (0.012)	-0.252*** (0.032)	-0.174*** (0.021)	-0.097*** (0.012)	-0.251*** (0.032)	-0.174*** (0.021)	-0.097*** (0.012)
Income	-0.130*** (0.005)	-0.088*** (0.004)	-0.047*** (0.002)	-0.123*** (0.005)	-0.083*** (0.004)	-0.045*** (0.002)	-0.123*** (0.005)	-0.083*** (0.004)	-0.045*** (0.002)
Ideology				0.149*** (0.005)	0.110*** (0.004)	0.057*** (0.002)	0.148*** (0.005)	0.109*** (0.004)	0.056*** (0.002)
Hard Work Vs Luck				-0.100*** (0.005)	-0.074*** (0.003)	-0.038*** (0.002)	-0.100*** (0.005)	-0.075*** (0.003)	-0.038*** (0.002)
Buddhist							-0.001 (0.063)	0.007 (0.039)	0.006 (0.024)
Hindu							-0.214 (0.137)	-0.111 (0.095)	-0.085 (0.054)
Jew							-0.240* (0.144)	-0.139 (0.087)	-0.089* (0.053)
Muslim							-0.194*** (0.064)	-0.115*** (0.042)	-0.076*** (0.024)
Orthodox							-0.175** (0.083)	-0.123** (0.054)	-0.061* (0.032)
Protestant							-0.263*** (0.043)	-0.164*** (0.027)	-0.096*** (0.016)
Catholic							-0.076** (0.036)	-0.044* (0.023)	-0.028** (0.014)
Other Religion							-0.099** (0.043)	-0.059** (0.027)	-0.038** (0.016)
Observations	69,342	69,342	69,342	69,342	69,342	69,342	69,342	69,342	69,342

**Table A3: Threshold Tests and Inference for the Threshold Parameter - Additional Threshold Variables**

This table presents tests, and estimation results of the threshold parameter using ten alternative threshold variables. The first column presents the alternative threshold variables. The second and third columns present the bootstrap p-value and the Sup-Wald statistic of the threshold test. The fourth and fifth columns present the point estimate and the 95% confidence interval of the threshold parameter, respectively. The next two columns present the joint SSR and BIC. The last two columns present the sample size for the two regimes.

<b>Threshold Variable</b>	<b>Bootstrap p-value</b>	<b>Sup Wald</b>	<b>Threshold Estimate</b>	<b>Threshold 90% C.I.</b>	<b>Joint SSR</b>	<b>Joint BIC</b>	$N_{Low}$	$N_{High}$
Hard Work Vs Luck (Country)	0.001	41.60	3.411	[3.411, 5.033]	332,520	2.014	44,416	8,112
Freedom of Choice	0.000	54.82	7.575	[6.177, 7.798]	393,440	2.004	53,110	32,827
Total Factor Productivity	0.000	79.11	0.676	[0.479, 0.762]	443,320	1.979	61,301	28,448
Human Capital Index	0.000	179.27	3.271	[3.271, 3.271]	498,260	2.002	67,351	52,285
Schooling	0.000	106.73	9.410	[8.68, 11.52]	496,190	2.011	66,473	33,838
Gini (Market)	0.000	47.07	41.639	[40.336, 51.234]	487,050	2.008	65,465	11,489
Executive Constraints	0.000	47.45	4	[1, 6.4]	517,920	2.012	69,342	9,630
Believe in God	0.000	485.71	0.757	[0.593, 0.991]	214,580	1.967	30,065	9,713
Government Stability	0.000	78.80	9.442	[9.442, 9.442]	517,690	2.011	69,342	59,059
Corruption	0.000	149.84	4	[4, 4]	517,340	2.010	69,342	55,823

Table A4: **Threshold Regressions - Additional Threshold Variables**

This table presents the linear model and regime-specific coefficient estimates of the threshold regression using ten alternative threshold variables. Heteroskedasticity consistent standard errors, clustered at the country level, are given in the parenthesis. All models include constant, age and age square, country and time fixed effects. \*\*\*, \*\*, and \* indicate the significance of the regression coefficients at 1%, 5%, and 10%. +, ++, and +++ indicate the significance of the difference of the regression coefficients between the low and high regimes at 1%, 5%, and 10%.

Threshold Variable	(1) Hard Work Vs Luck(Country)		(2) Freedom of Choice		(3) Total Factor Productivity		(4) Human Capital Index		(5) Schooling				
	Low	High	Low	High	Low	High	Low	High	Low	High			
Female	0.094 (0.071)	0.097*** (0.028)	0.062** (0.029)	0.109*** (0.040)	0.075** (0.035)	0.137*** (0.028)	0.063** (0.025)	0.152*** (0.040)	+	0.060* (0.032)	0.091*** (0.028)		
Married	0.083 (0.079)	-0.065** (0.032)	+	-0.016 (0.035)	-0.084* (0.045)	0.021 (0.040)	-0.035 (0.032)	-0.001 (0.029)	-0.061 (0.048)	-0.001 (0.038)	0.010 (0.033)		
Unemployed	-0.054 (0.105)	0.186*** (0.062)	++	0.159*** (0.060)	0.123 (0.076)	0.069 (0.059)	0.266*** (0.064)	++	0.154*** (0.044)	0.256** (0.115)	0.122** (0.053)	0.229*** (0.068)	
Secondary	-0.056 (0.090)	-0.165*** (0.040)		-0.207*** (0.039)	-0.102* (0.059)	-0.155*** (0.045)	-0.222*** (0.040)		-0.178*** (0.031)	-0.091 (0.075)	-0.159*** (0.039)	-0.242*** (0.043)	
Tertiary	-0.318*** (0.121)	-0.138*** (0.044)		-0.192*** (0.046)	-0.123* (0.065)	-0.237*** (0.055)	-0.184*** (0.043)		-0.201*** (0.037)	-0.039 (0.077)	-0.248*** (0.048)	-0.170*** (0.046)	
Income	-0.114*** (0.017)	-0.128*** (0.007)		-0.128*** (0.008)	-0.135*** (0.010)	-0.116*** (0.009)	-0.139*** (0.007)	++	-0.132*** (0.007)	-0.136*** (0.010)	-0.105*** (0.008)	-0.155*** (0.007)	+++

  

Threshold Variable	(6) Gini (Market)		(7) Executive Constraints		(8) Believe in God		(9) Government Stability		(10) Corruption					
	Low	High	Low	High	Low	High	Low	High	Low	High				
Female	0.073 (0.050)	0.093*** (0.024)	0.194*** (0.056)	0.056** (0.022)	++	0.129*** (0.047)	0.017 (0.040)	+	0.065*** (0.023)	0.138*** (0.052)	0.075*** (0.024)	0.072* (0.041)		
Married	-0.140** (0.065)	-0.018 (0.027)	+	0.017 (0.068)	-0.017 (0.026)	-0.018 (0.055)	-0.016 (0.046)		-0.001 (0.027)	-0.085 (0.062)	0.010 (0.028)	-0.085* (0.048)	+	
Unemployed	0.103 (0.138)	0.150*** (0.044)		0.228** (0.093)	0.142*** (0.045)	0.198 (0.140)	0.178*** (0.068)		0.127*** (0.043)	0.357*** (0.119)	0.138*** (0.043)	0.325*** (0.116)		
Secondary	-0.378*** (0.080)	-0.164*** (0.031)	++	-0.311*** (0.067)	-0.167*** (0.031)	+	-0.115 (0.079)	-0.132** (0.052)	-0.170*** (0.031)	-0.355*** (0.068)	++	-0.186*** (0.031)	-0.168*** (0.064)	
Tertiary	-0.224** (0.090)	-0.193*** (0.036)		-0.474*** (0.082)	-0.140*** (0.035)	+++	0.041 (0.082)	-0.250*** (0.061)	+++	-0.176*** (0.035)	-0.205** (0.081)	-0.247*** (0.037)	0.064 (0.067)	+++
Income	-0.164*** (0.014)	-0.127*** (0.006)	++	-0.084*** (0.016)	-0.137*** (0.006)	+++	-0.145*** (0.012)	-0.156*** (0.011)	+	-0.136*** (0.006)	-0.111*** (0.012)	-0.125*** (0.006)	-0.150*** (0.010)	++

**Table A5: Threshold Tests and Inference for the Threshold Parameter - Additional Regressors - Specification 1**

This table presents tests, and estimation results of the threshold parameter, allowing for the endogeneity of the threshold parameter, using two additional regressors (ideology, and social mobility-hard work vs luck). The first column presents the alternative threshold variables. The second and third columns present the bootstrap p-value and the Sup-Wald statistic of the threshold test. The fourth and fifth columns present the point estimate and the 95% confidence interval of the threshold parameter, respectively. The next two columns present the joint SSR and BIC. The last two columns present the sample size for the two regimes.

<b>Threshold Variable</b>	<b>Bootstrap p-value</b>	<b>Sup Wald</b>	<b>Threshold Estimate</b>	<b>Threshold 90% C.I.</b>	<b>Joint SSR</b>	<b>Joint BIC</b>	$N_{Low}$	$N_{High}$
Prefer. for Redistr. (Country)	0.000	483.9	5.251	5.251, 5.251	378960	1.966	17651	35459
Hard Work Vs Luck (Country)	0.000	116.7	3.445	3.411, 3.637	321880	1.982	8732	35684
General Trust	0.000	577.5	0.320	0.320, 0.320	358650	1.954	32857	18051
Freedom of Choice	0.000	178.6	7.575	7.469, 7.575	381560	1.973	32827	20283
GDP per Capita	0.000	831.9	10.469	10.469, 10.469	487220	1.969	53920	14166
Total Factor Productivity	0.000	320.5	0.712	0.712, 0.747	432320	1.954	31988	29313
Human Capital Index	0.000	865.3	2.866	2.731, 2.866	480990	1.967	37962	29389
Schooling	0.000	751.5	9.410	9.410, 11.520	480060	1.978	33838	32635
Gini (Net)	0.000	229.0	28.62	28.10, 46.68	474350	1.981	9846	55619
Gini (Market)	0.000	79.9	42.58	40.34, 51.23	475380	1.984	14419	51046
Democracy	0.000	391.2	7.000	5.600, 9.000	502500	1.981	19439	49903
Executive Constraints	0.000	308.2	6.000	6.000, 6.000	503060	1.983	30271	39071
Believe in God	0.000	548.6	0.925	0.925, 0.925	209910	1.945	15227	14838
Importance of God	0.000	529.2	8.250	5.089, 9.598	378500	1.965	25788	27322
Government Stability	0.000	153.8	7.858	6.800, 7.925	504660	1.986	33513	35829
Corruption	0.000	840.4	3.858	3.858, 3.858	499850	1.976	51094	18248

**Table A6: Threshold Regressions - Additional Regressors - Specification 1**

This table presents the linear model and regime-specific coefficient estimates of the threshold regression using two additional regressors (ideology, and social mobility-hard work vs luck). Heteroskedasticity consistent standard errors, clustered at the country level, are given in the parenthesis. All models include constant, age and age square, country and time fixed effects. \*\*\*, \*\*, and \* indicate the significance of the regression coefficients at 1%, 5%, and 10%.

Threshold Variable	Prefer. for Redistr. (Country)		Hard Work Vs Luck (Country)		General Trust		Freedom of Choice	
	Low	High	Low	High	Low	High	Low	High
Age	0.050 (0.068)	-0.001 (0.055)	-0.299** (0.124)	0.112** (0.049)	-0.086 (0.059)	0.087 (0.066)	0.140*** (0.054)	-0.042 (0.067)
Age Square	-0.016** (0.007)	-0.002 (0.006)	0.029** (0.014)	-0.019*** (0.005)	0.009 (0.006)	-0.021*** (0.007)	-0.018*** (0.006)	-0.006 (0.007)
Female	0.001 (0.039)	0.103*** (0.029)	0.109 (0.068)	0.092*** (0.027)	0.039 (0.031)	0.115*** (0.037)	0.063** (0.029)	0.105*** (0.040)
Married	-0.046 (0.046)	-0.005 (0.034)	0.059 (0.077)	-0.035 (0.032)	-0.002 (0.036)	-0.019 (0.043)	-0.019 (0.035)	-0.052 (0.044)
Unemployed	0.301*** (0.094)	0.109** (0.053)	0.005 (0.101)	0.194*** (0.061)	0.129** (0.056)	0.273*** (0.097)	0.157*** (0.059)	0.146* (0.076)
Secondary	-0.243*** (0.059)	-0.169*** (0.039)	-0.120 (0.086)	-0.202*** (0.040)	-0.159*** (0.039)	-0.228*** (0.061)	-0.226*** (0.038)	-0.147** (0.059)
Tertiary	-0.163** (0.063)	-0.285*** (0.046)	-0.382*** (0.114)	-0.222*** (0.044)	-0.260*** (0.047)	-0.179*** (0.063)	-0.243*** (0.045)	-0.219*** (0.064)
Income	-0.111*** (0.010)	-0.121*** (0.008)	-0.100*** (0.016)	-0.115*** (0.007)	-0.115*** (0.008)	-0.119*** (0.009)	-0.119*** (0.008)	-0.122*** (0.009)
Ideology	0.283*** (0.011)	0.128*** (0.007)	0.142*** (0.014)	0.210*** (0.007)	0.119*** (0.007)	0.304*** (0.010)	0.140*** (0.007)	0.226*** (0.010)
Hard Work Vs Luck	0.026*** (0.009)	-0.138*** (0.006)	-0.163*** (0.013)	-0.042*** (0.006)	-0.130*** (0.006)	0.022** (0.009)	-0.123*** (0.006)	-0.031*** (0.009)

Threshold Variable	GDP per Capita		Total Factor Productivity		Human Capital Index		Schooling	
	Low	High	Low	High	Low	High	Low	High
Age	0.039 (0.044)	0.004 (0.071)	-0.041 (0.059)	0.128** (0.051)	0.049 (0.054)	0.029 (0.053)	0.056 (0.060)	0.027 (0.050)
Age Square	-0.007 (0.005)	-0.012* (0.007)	0.002 (0.006)	-0.022*** (0.005)	-0.006 (0.006)	-0.012** (0.005)	-0.007 (0.007)	-0.011** (0.005)
Female	0.085*** (0.024)	0.009 (0.040)	0.101*** (0.032)	0.103*** (0.029)	0.082*** (0.029)	0.074** (0.029)	0.071** (0.031)	0.076*** (0.028)
Married	0.002 (0.028)	0.050 (0.047)	0.008 (0.037)	0.020 (0.034)	-0.035 (0.034)	0.057* (0.034)	-0.010 (0.037)	0.051 (0.033)
Unemployed	0.144*** (0.043)	0.368*** (0.111)	0.112** (0.056)	0.252*** (0.067)	0.152*** (0.048)	0.225*** (0.076)	0.133*** (0.052)	0.245*** (0.068)
Secondary	-0.211*** (0.030)	-0.122* (0.068)	-0.200*** (0.041)	-0.229*** (0.042)	-0.184*** (0.036)	-0.229*** (0.046)	-0.179*** (0.038)	-0.255*** (0.042)
Tertiary	-0.247*** (0.037)	-0.129* (0.069)	-0.313*** (0.051)	-0.227*** (0.045)	-0.272*** (0.044)	-0.219*** (0.049)	-0.303*** (0.047)	-0.231*** (0.046)
Income	-0.116*** (0.006)	-0.129*** (0.010)	-0.111*** (0.008)	-0.129*** (0.007)	-0.105*** (0.008)	-0.132*** (0.007)	-0.097*** (0.008)	-0.135*** (0.007)
Ideology	0.108*** (0.006)	0.351*** (0.011)	0.091*** (0.008)	0.219*** (0.007)	0.095*** (0.007)	0.240*** (0.008)	0.089*** (0.007)	0.226*** (0.008)
Hard Work Vs Luck	-0.129*** (0.005)	0.047*** (0.010)	-0.117*** (0.007)	-0.015** (0.007)	-0.171*** (0.006)	0.030*** (0.007)	-0.171*** (0.006)	0.010 (0.007)

**Table A6 continued**

Threshold Variable	Gini (Net)		Gini (Market)		Democracy		Executive Constraints	
	Low	High	Low	High	Low	High	Low	High
Age	0.051 (0.084)	0.122*** (0.043)	0.323*** (0.091)	0.081* (0.042)	0.035 (0.077)	0.090** (0.043)	0.018 (0.064)	0.099** (0.047)
Age Square	-0.013 (0.008)	-0.018*** (0.004)	-0.038*** (0.010)	-0.015*** (0.004)	-0.006 (0.009)	-0.016*** (0.004)	-0.005 (0.007)	-0.017*** (0.005)
Female	0.043 (0.047)	0.091*** (0.024)	0.078* (0.045)	0.093*** (0.024)	0.004 (0.039)	0.107*** (0.024)	0.066** (0.032)	0.084*** (0.027)
Married	0.045 (0.054)	-0.034 (0.028)	-0.074 (0.058)	-0.017 (0.027)	-0.021 (0.047)	0.004 (0.028)	0.020 (0.039)	-0.012 (0.031)
Unemployed	0.069 (0.119)	0.164*** (0.044)	0.096 (0.114)	0.166*** (0.044)	0.142** (0.066)	0.166*** (0.050)	0.104* (0.054)	0.225*** (0.059)
Secondary	-0.186*** (0.068)	-0.220*** (0.031)	-0.258*** (0.067)	-0.205*** (0.032)	-0.194*** (0.046)	-0.222*** (0.034)	-0.172*** (0.040)	-0.259*** (0.038)
Tertiary	-0.177** (0.072)	-0.260*** (0.037)	-0.182** (0.077)	-0.267*** (0.037)	-0.272*** (0.059)	-0.248*** (0.038)	-0.236*** (0.049)	-0.274*** (0.043)
Income	-0.125*** (0.012)	-0.121*** (0.006)	-0.152*** (0.013)	-0.118*** (0.006)	-0.118*** (0.011)	-0.121*** (0.006)	-0.123*** (0.009)	-0.116*** (0.007)
Ideology	0.245*** (0.012)	0.142*** (0.006)	0.109*** (0.012)	0.170*** (0.006)	0.080*** (0.009)	0.174*** (0.006)	0.108*** (0.008)	0.182*** (0.007)
Hard Work Vs Luck	0.040*** (0.012)	-0.108*** (0.005)	-0.117*** (0.010)	-0.079*** (0.005)	-0.219*** (0.008)	-0.051*** (0.005)	-0.176*** (0.007)	-0.035*** (0.006)

Threshold Variable	Believe in God		Importance of God		Government Stability		Corruption	
	Low	High	Low	High	Low	High	Low	High
Age	-0.582*** (0.091)	-0.044 (0.091)	0.086 (0.056)	-0.109 (0.068)	0.055 (0.055)	0.122** (0.051)	0.026 (0.047)	0.005 (0.063)
Age Square	0.053*** (0.009)	0.007 (0.010)	-0.017*** (0.006)	0.012 (0.008)	-0.010* (0.006)	-0.020*** (0.005)	-0.005 (0.005)	-0.011* (0.006)
Female	0.077** (0.039)	-0.001 (0.048)	0.140*** (0.031)	0.016 (0.035)	0.043 (0.030)	0.102*** (0.028)	0.083*** (0.025)	0.031 (0.036)
Married	0.159*** (0.048)	-0.008 (0.057)	-0.030 (0.036)	0.035 (0.041)	0.040 (0.036)	-0.052 (0.033)	0.002 (0.030)	0.036 (0.041)
Unemployed	0.233** (0.099)	0.151* (0.078)	0.225*** (0.077)	0.116** (0.058)	0.054 (0.058)	0.261*** (0.055)	0.131*** (0.045)	0.309*** (0.088)
Secondary	-0.104 (0.064)	-0.127** (0.059)	-0.281*** (0.049)	-0.121*** (0.043)	-0.173*** (0.040)	-0.266*** (0.038)	-0.216*** (0.032)	-0.117** (0.057)
Tertiary	-0.010 (0.068)	-0.313*** (0.072)	-0.248*** (0.052)	-0.257*** (0.053)	-0.223*** (0.046)	-0.268*** (0.044)	-0.296*** (0.038)	-0.087 (0.059)
Income	-0.124*** (0.010)	-0.110*** (0.013)	-0.116*** (0.008)	-0.113*** (0.009)	-0.132*** (0.008)	-0.113*** (0.007)	-0.113*** (0.007)	-0.131*** (0.009)
Ideology	0.309*** (0.010)	0.082*** (0.011)	0.257*** (0.009)	0.111*** (0.008)	0.111*** (0.007)	0.185*** (0.007)	0.097*** (0.006)	0.314*** (0.010)
Hard Work Vs Luck	0.031*** (0.010)	-0.181*** (0.009)	0.004 (0.008)	-0.160*** (0.007)	-0.132*** (0.006)	-0.067*** (0.006)	-0.141*** (0.005)	0.025*** (0.009)



**Table A7: Threshold Tests and Inference for the Threshold Parameter - Additional Regressors - Specification 2**

This table presents tests, and estimation results of the threshold parameter, allowing for the endogeneity of the threshold parameter, using additional regressors (ideology, social mobility-hard work vs luck and religion denominations). The first column presents the alternative threshold variables. The second and third columns present the bootstrap p-value and the Sup-Wald statistic of the threshold test. The fourth and fifth columns present the point estimate and the 95% confidence interval of the threshold parameter, respectively. The next two columns present the joint SSR and BIC. The last two columns present the sample size for the two regimes.

<b>Threshold Variable</b>	<b>Bootstrap p-value</b>	<b>Sup Wald</b>	<b>Threshold Estimate</b>	<b>Threshold 90% C.I.</b>	<b>Joint SSR</b>	<b>Joint BIC</b>	$N_{Low}$	$N_{High}$
Prefer. for Redistr. (Country)	0.000	499.7	5.251	5.251, 5.251	378530	1.966	17651	35459
Hard Work Vs Luck (Country)	0.014	144.8	3.445	3.411, 3.596	321290	1.981	8732	35684
General Trust	0.000	588.4	0.320	0.320, 0.320	358200	1.953	32857	18051
Freedom of Choice	0.014	198.6	7.488	7.409, 7.628	381090	1.973	29889	23221
GDP per Capita	0.000	860.2	10.469	10.469, 10.469	486790	1.969	53920	14166
Total Factor Productivity	0.000	356.0	0.712	0.712, 0.747	431810	1.954	31988	29313
Human Capital Index	0.000	881.7	2.866	2.731, 2.866	480530	1.966	37962	29389
Schooling	0.059	748.9	9.410	9.410, 11.520	479550	1.978	33838	32635
Gini (Net)	0.000	255.4	28.38	28.10, 46.68	473900	1.981	9210	56255
Gini (Market)	0.000	88.7	42.58	40.34, 51.23	475030	1.983	14419	51046
Democracy	0.000	410.2	5.600	5.600, 9.000	502100	1.981	14814	54528
Executive Constraints	0.000	343.9	6.000	6.000, 6.000	502480	1.982	30271	39071
Believe in God	0.035	562.2	0.925	0.925, 0.925	203130	1.914	15227	14838
Importance of God	0.000	553.6	8.250	8.250, 8.661	377980	1.964	25788	27322
Government Stability	0.000	200.1	7.917	7.008, 7.925	504050	1.985	34223	35119
Corruption	0.000	837.4	3.858	3.858, 3.858	499490	1.976	51094	18248

**Table A8: Threshold Regressions - Additional Regressors - Specification 2**

This table presents the linear model and regime-specific coefficient estimates of the threshold regression using two additional regressors (ideology, and social mobility-hard work vs luck). Heteroskedasticity consistent standard errors, clustered at the country level, are given in the parenthesis. All models include constant, age and age square, country and time fixed effects. \*\*\*, \*\*, and \* indicate the significance of the regression coefficients at 1%, 5%, and 10%.

Threshold Variable	Prefer. for Redistr. (Country)		Hard Work Vs Luck (Country)		General Trust		Freedom of Choice	
	Low	High	Low	High	Low	High	Low	High
Age	0.041 (0.068)	-0.005 (0.055)	-0.299** (0.124)	0.096* (0.049)	-0.089 (0.059)	0.079 (0.066)	0.157*** (0.058)	-0.041 (0.062)
Age Square	-0.014** (0.007)	-0.002 (0.006)	0.029** (0.014)	-0.017*** (0.005)	0.009 (0.006)	-0.020*** (0.007)	-0.020*** (0.006)	-0.004 (0.006)
Female	0.003 (0.039)	0.104*** (0.029)	0.106 (0.069)	0.094*** (0.027)	0.041 (0.031)	0.120*** (0.037)	0.073** (0.030)	0.091** (0.037)
Married	-0.043 (0.046)	-0.001 (0.034)	0.066 (0.077)	-0.031 (0.032)	0.002 (0.037)	-0.018 (0.043)	-0.047 (0.037)	-0.009 (0.041)
Unemployed	0.289*** (0.094)	0.107** (0.053)	-0.001 (0.101)	0.188*** (0.061)	0.128** (0.056)	0.252*** (0.096)	0.151** (0.061)	0.144** (0.072)
Secondary	-0.230*** (0.059)	-0.171*** (0.039)	-0.117 (0.086)	-0.196*** (0.040)	-0.161*** (0.039)	-0.218*** (0.061)	-0.266*** (0.040)	-0.102* (0.053)
Tertiary	-0.148** (0.063)	-0.291*** (0.046)	-0.381*** (0.114)	-0.214*** (0.044)	-0.268*** (0.047)	-0.160** (0.063)	-0.298*** (0.047)	-0.150** (0.059)
Income	-0.112*** (0.010)	-0.121*** (0.008)	-0.099*** (0.016)	-0.116*** (0.007)	-0.116*** (0.008)	-0.120*** (0.009)	-0.111*** (0.008)	-0.130*** (0.009)
Ideology	0.279*** (0.011)	0.128*** (0.007)	0.142*** (0.014)	0.208*** (0.007)	0.119*** (0.007)	0.300*** (0.010)	0.141*** (0.008)	0.211*** (0.009)
Hard Work Vs Luck	0.024** (0.009)	-0.138*** (0.006)	-0.164*** (0.013)	-0.044*** (0.006)	-0.130*** (0.006)	0.020** (0.009)	-0.131*** (0.007)	-0.033*** (0.008)
Buddhist	0.362** (0.155)	-0.097 (0.076)	1.221 (0.746)	-0.060 (0.070)	-0.216** (0.098)	0.347*** (0.097)	0.033 (0.073)	-0.281 (0.184)
Hindu	0.290 (0.203)	-0.371* (0.224)	-0.256 (0.231)	0.053 (0.199)	-0.199 (0.168)	-0.172 (0.539)	-0.438* (0.244)	-0.003 (0.190)
Jew	0.297 (0.242)	-0.273 (0.186)	-0.167 (0.667)	-0.044 (0.155)	-0.217 (0.191)	0.147 (0.238)	-0.143 (0.194)	0.083 (0.233)
Muslim	0.182 (0.142)	-0.220** (0.091)	-0.204 (0.227)	-0.235*** (0.088)	-0.230*** (0.087)	0.120 (0.191)	-0.091 (0.095)	-0.339** (0.135)
Orthodox	0.098 (0.346)	0.096 (0.109)	-0.270 (0.228)	0.340*** (0.116)	0.084 (0.111)	-0.069 (0.320)	0.050 (0.133)	0.177 (0.166)
Protestant	-0.351*** (0.067)	-0.099 (0.065)	-0.005 (0.132)	-0.365*** (0.053)	-0.123* (0.071)	-0.368*** (0.067)	-0.114* (0.065)	-0.395*** (0.069)
Catholic	-0.031 (0.060)	-0.005 (0.054)	-0.068 (0.120)	0.001 (0.043)	-0.011 (0.055)	-0.053 (0.062)	0.027 (0.057)	-0.072 (0.057)
Other Religion	-0.030 (0.062)	-0.106 (0.071)	0.109 (0.138)	-0.053 (0.053)	-0.109 (0.087)	-0.077 (0.057)	-0.289*** (0.083)	-0.074 (0.058)

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Table A8 continued

Threshold Variable	GDP per Capita		Total Factor Productivity		Human Capital Index		Schooling	
	Low	High	Low	High	Low	High	Low	High
Regime								
Age	0.038 (0.044)	0.002 (0.071)	-0.046 (0.060)	0.117** (0.051)	0.051 (0.054)	0.021 (0.053)	0.057 (0.060)	0.016 (0.050)
Age Square	-0.006 (0.005)	-0.011 (0.007)	0.002 (0.006)	-0.020*** (0.005)	-0.006 (0.006)	-0.011** (0.005)	-0.007 (0.007)	-0.010* (0.005)
Female	0.089*** (0.024)	0.013 (0.040)	0.102*** (0.032)	0.109*** (0.029)	0.084*** (0.029)	0.077*** (0.029)	0.074** (0.031)	0.080*** (0.028)
Married	0.006 (0.028)	0.048 (0.047)	0.014 (0.038)	0.021 (0.034)	-0.032 (0.034)	0.056 (0.034)	-0.009 (0.037)	0.053 (0.033)
Unemployed	0.143*** (0.043)	0.339*** (0.111)	0.109** (0.056)	0.242*** (0.067)	0.150*** (0.048)	0.217*** (0.076)	0.130** (0.052)	0.242*** (0.068)
Secondary	-0.214*** (0.030)	-0.103 (0.068)	-0.204*** (0.042)	-0.219*** (0.042)	-0.186*** (0.036)	-0.221*** (0.046)	-0.179*** (0.038)	-0.249*** (0.042)
Tertiary	-0.252*** (0.037)	-0.106 (0.069)	-0.319*** (0.051)	-0.211*** (0.045)	-0.275*** (0.044)	-0.206*** (0.049)	-0.300*** (0.047)	-0.223*** (0.046)
Income	-0.116*** (0.006)	-0.128*** (0.010)	-0.111*** (0.008)	-0.128*** (0.007)	-0.105*** (0.008)	-0.131*** (0.007)	-0.097*** (0.008)	-0.135*** (0.007)
Ideology	0.107*** (0.006)	0.348*** (0.011)	0.090*** (0.008)	0.216*** (0.007)	0.095*** (0.007)	0.239*** (0.008)	0.089*** (0.007)	0.224*** (0.008)
Hard Work Vs Luck	-0.129*** (0.005)	0.045*** (0.010)	-0.117*** (0.007)	-0.016** (0.007)	-0.171*** (0.006)	0.029*** (0.007)	-0.170*** (0.006)	0.009 (0.007)
Buddhist	-0.016 (0.068)	0.084 (0.175)	-0.132 (0.082)	0.001 (0.107)	0.622*** (0.189)	0.011 (0.067)	0.681*** (0.195)	-0.018 (0.067)
Hindu	-0.193 (0.149)	-0.162 (0.376)	-0.193 (0.155)	-0.343 (0.341)	-0.337* (0.202)	0.127 (0.185)	-0.360 (0.256)	-0.062 (0.162)
Jew	-0.924*** (0.316)	0.004 (0.163)	-0.616 (0.375)	-0.190 (0.155)	-0.305 (0.367)	-0.173 (0.154)	-0.164 (0.457)	-0.157 (0.154)
Muslim	-0.228*** (0.070)	0.668*** (0.219)	-0.287*** (0.094)	0.272** (0.107)	-0.139 (0.088)	0.113 (0.119)	-0.025 (0.116)	-0.069 (0.106)
Orthodox	-0.209** (0.097)	0.082 (0.166)	-0.041 (0.189)	0.211** (0.107)	-0.174 (0.130)	0.074 (0.114)	-0.451*** (0.166)	0.176* (0.102)
Protestant	-0.105* (0.058)	-0.303*** (0.061)	-0.089 (0.067)	-0.429*** (0.059)	-0.078 (0.074)	-0.292*** (0.051)	-0.074 (0.084)	-0.287*** (0.051)
Catholic	-0.069 (0.044)	-0.002 (0.061)	-0.021 (0.053)	-0.069 (0.051)	-0.102* (0.055)	0.003 (0.047)	-0.081 (0.063)	-0.037 (0.045)
Other Religion	-0.130** (0.055)	0.112* (0.065)	-0.022 (0.076)	-0.045 (0.054)	-0.148** (0.073)	0.032 (0.052)	-0.123 (0.077)	0.003 (0.052)

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Table A8 continued

Threshold Variable	Gini (Net)		Gini (Market)		Democracy		Executive Constraints	
	Low	High	Low	High	Low	High	Low	High
Regime								
Age	0.042 (0.086)	0.112*** (0.043)	0.312*** (0.091)	0.075* (0.042)	0.049 (0.087)	0.083** (0.042)	0.021 (0.064)	0.090* (0.047)
Age Square	-0.013 (0.009)	-0.017*** (0.004)	-0.037*** (0.010)	-0.014*** (0.004)	-0.007 (0.010)	-0.015*** (0.004)	-0.005 (0.007)	-0.016*** (0.005)
Female	0.034 (0.048)	0.100*** (0.023)	0.077* (0.045)	0.099*** (0.024)	0.028 (0.044)	0.095*** (0.023)	0.072** (0.032)	0.087*** (0.027)
Married	0.043 (0.056)	-0.031 (0.028)	-0.070 (0.058)	-0.013 (0.028)	-0.038 (0.054)	0.008 (0.027)	0.021 (0.039)	-0.008 (0.031)
Unemployed	0.164 (0.124)	0.149*** (0.044)	0.103 (0.114)	0.160*** (0.044)	0.153** (0.073)	0.157*** (0.048)	0.100* (0.054)	0.217*** (0.059)
Secondary	-0.167** (0.070)	-0.223*** (0.031)	-0.257*** (0.067)	-0.204*** (0.032)	-0.214*** (0.052)	-0.212*** (0.033)	-0.171*** (0.040)	-0.258*** (0.038)
Tertiary	-0.132* (0.074)	-0.264*** (0.037)	-0.175** (0.077)	-0.266*** (0.037)	-0.327*** (0.067)	-0.233*** (0.037)	-0.235*** (0.049)	-0.272*** (0.043)
Income	-0.120*** (0.012)	-0.122*** (0.006)	-0.153*** (0.013)	-0.119*** (0.006)	-0.118*** (0.012)	-0.120*** (0.006)	-0.124*** (0.009)	-0.116*** (0.007)
Ideology	0.253*** (0.013)	0.140*** (0.006)	0.107*** (0.012)	0.168*** (0.006)	0.067*** (0.010)	0.169*** (0.006)	0.107*** (0.008)	0.181*** (0.007)
Hard Work Vs Luck	0.043*** (0.012)	-0.107*** (0.005)	-0.118*** (0.010)	-0.080*** (0.005)	-0.240*** (0.010)	-0.061*** (0.005)	-0.177*** (0.007)	-0.036*** (0.006)
Buddhist	-0.362 (0.527)	-0.006 (0.064)	0.046 (0.095)	-0.048 (0.085)	0.566*** (0.214)	-0.077 (0.065)	-0.082 (0.101)	0.065 (0.082)
Hindu	-2.524** (1.017)	-0.220 (0.149)	-0.183 (0.397)	-0.227 (0.160)	0.813 (0.664)	-0.219 (0.139)	0.383 (0.237)	-0.303* (0.161)
Jew	-0.034 (0.613)	-0.235 (0.148)	-0.216 (0.200)	-0.091 (0.209)	-0.286 (0.603)	-0.236 (0.147)	-0.775* (0.464)	-0.152 (0.150)
Muslim	0.631*** (0.199)	-0.200*** (0.072)	-0.092 (0.212)	-0.130* (0.072)	-0.086 (0.132)	-0.224*** (0.078)	-0.269*** (0.086)	0.002 (0.120)
Orthodox	0.114 (0.210)	-0.076 (0.096)	0.062 (0.136)	-0.177 (0.110)	-0.411 (0.369)	-0.174** (0.086)	-0.886*** (0.180)	0.080 (0.099)
Protestant	-0.165* (0.097)	-0.275*** (0.048)	-0.274*** (0.094)	-0.247*** (0.048)	-0.218* (0.129)	-0.248*** (0.045)	-0.252*** (0.077)	-0.269*** (0.052)
Catholic	0.110 (0.078)	-0.097** (0.041)	0.071 (0.091)	-0.078** (0.039)	-0.138 (0.120)	-0.042 (0.038)	-0.173*** (0.063)	-0.030 (0.045)
Other Religion	-0.074 (0.073)	-0.111** (0.051)	-0.229** (0.090)	-0.088* (0.050)	-0.405*** (0.131)	-0.013 (0.046)	-0.281*** (0.084)	0.003 (0.050)

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**Table A8 continued**

Threshold Variable	Believe in God		Importance of God		Government Stability		Corruption	
	Low	High	Low	High	Low	High	Low	High
Regime								
Age	-0.069 (0.069)	-0.050 (0.090)	0.077 (0.056)	-0.108 (0.068)	0.045 (0.055)	0.119** (0.051)	0.025 (0.047)	0.000 (0.063)
Age Square	0.000 (0.007)	0.006 (0.010)	-0.016*** (0.006)	0.012 (0.008)	-0.008 (0.006)	-0.019*** (0.005)	-0.005 (0.005)	-0.010 (0.006)
Female	0.091** (0.038)	-0.002 (0.047)	0.145*** (0.031)	0.017 (0.035)	0.046 (0.030)	0.111*** (0.029)	0.085*** (0.025)	0.036 (0.036)
Married	0.019 (0.044)	-0.002 (0.056)	-0.033 (0.036)	0.036 (0.041)	0.041 (0.035)	-0.043 (0.033)	0.004 (0.030)	0.038 (0.041)
Unemployed	0.194** (0.096)	0.147* (0.077)	0.212*** (0.077)	0.115** (0.058)	0.067 (0.057)	0.249*** (0.056)	0.129*** (0.045)	0.297*** (0.088)
Secondary	-0.143** (0.062)	-0.136** (0.058)	-0.274*** (0.049)	-0.123*** (0.043)	-0.191*** (0.040)	-0.253*** (0.038)	-0.218*** (0.032)	-0.106* (0.057)
Tertiary	-0.098 (0.066)	-0.325*** (0.071)	-0.229*** (0.052)	-0.264*** (0.054)	-0.256*** (0.046)	-0.237*** (0.044)	-0.299*** (0.038)	-0.074 (0.059)
Income	-0.121*** (0.010)	-0.113*** (0.013)	-0.116*** (0.008)	-0.113*** (0.009)	-0.131*** (0.008)	-0.113*** (0.007)	-0.113*** (0.007)	-0.131*** (0.009)
Ideology	0.306*** (0.010)	0.082*** (0.010)	0.254*** (0.009)	0.111*** (0.008)	0.110*** (0.007)	0.185*** (0.007)	0.097*** (0.006)	0.310*** (0.010)
Hard Work Vs Luck	0.023** (0.010)	-0.181*** (0.009)	0.002 (0.008)	-0.160*** (0.007)	-0.124*** (0.006)	-0.074*** (0.007)	-0.141*** (0.005)	0.023*** (0.009)
Buddhist	-0.231** (0.109)	-0.171 (1.200)	0.148** (0.073)	-0.373* (0.201)	-0.130* (0.073)	0.321** (0.128)	-0.036 (0.066)	0.343 (0.300)
Hindu	-0.282 (0.632)	0.242 (0.865)	-0.374 (0.245)	0.129 (0.195)	-0.134 (0.213)	-0.292* (0.173)	-0.166 (0.144)	-0.126 (0.523)
Jew	0.133 (0.288)	-0.801 (0.532)	0.053 (0.159)	-0.436 (0.447)	-0.456** (0.189)	-0.060 (0.219)	-0.436** (0.176)	0.171 (0.230)
Muslim	0.535** (0.220)	-0.358*** (0.130)	0.188 (0.211)	-0.229** (0.098)	-0.377*** (0.088)	0.014 (0.093)	-0.166** (0.074)	0.287* (0.156)
Orthodox	0.549** (0.227)	0.038 (0.179)	0.359** (0.146)	-0.003 (0.148)	-0.190 (0.123)	-0.121 (0.115)	-0.230** (0.107)	0.269* (0.158)
Protestant	-0.393*** (0.075)	-0.061 (0.123)	-0.376*** (0.057)	-0.044 (0.086)	-0.140** (0.064)	-0.344*** (0.057)	-0.082 (0.059)	-0.336*** (0.060)
Catholic	0.080 (0.062)	0.068 (0.097)	0.003 (0.048)	-0.026 (0.073)	0.031 (0.051)	-0.173*** (0.050)	-0.038 (0.047)	-0.017 (0.055)
Other Religion	0.043 (0.065)	-0.210 (0.145)	-0.080 (0.054)	-0.089 (0.092)	0.033 (0.063)	-0.196*** (0.059)	-0.068 (0.060)	-0.009 (0.058)

**Table A9: Threshold Tests and Inference for the Threshold Parameter - Alternative Instrument Specifications**

This table presents tests, and estimation results of the threshold parameter using alternative instrument specifications: Using both the lagged value of the threshold variable and the first factor of an array of deep root (time-invariant) country attributes (this is the baseline model), as well as using just the lagged value and just the first factor. The first column presents the alternative specification of the instruments. The second and third columns present the bootstrap p-value and the Sup-Wald statistic of the threshold test. The fourth and fifth columns present the point estimate and the 95% confidence interval of the threshold parameter, respectively. The next two columns present the joint SSR and BIC. The last two columns present the sample size for the two regimes.

Instrument's Specification	Bootstrap p-value	Sup Wald	Threshold Estimate	Threshold 90% C.I.	Joint SSR	Joint BIC	$N$	$N_{Low}$	$N_{High}$
<b>Prefer. for Redistr. (Country)</b>									
<b>2 Instruments: Lagged Value + First Factor</b>	0.000	112.63	5.299	[5.189, 5.671]	393,021	2.002	53,110	19,033	34,077
<b>1 Instrument: First Factor</b>	0.000	112.32	5.299	[5.189, 5.671]	393,024	2.002	53,110	19,033	34,077
<b>1 Instrument: Lagged Value</b>	0.000	112.30	5.299	[5.189, 5.671]	393,023	2.002	53,110	19,033	34,077
<b>General Trust</b>									
<b>2 Instruments: Lagged Value + First Factor</b>	0.000	156.69	0.239	[0.228, 0.297]	372,049	1.990	50,908	27,243	23,665
<b>1 Instrument: First Factor</b>	0.000	156.35	0.239	[0.228, 0.297]	372,050	1.990	50,908	27,243	23,665
<b>1 Instrument: Lagged Value</b>	0.000	156.73	0.239	[0.228, 0.297]	372,049	1.990	50,908	27,243	23,665
<b>GDP per Capita</b>									
<b>2 Instruments: Lagged Value + First Factor</b>	0.000	144.90	9.954	[9.665, 10.537]	504,113	2.003	68,086	41,181	26,905
<b>1 Instrument: First Factor</b>	0.000	140.36	9.954	[9.662, 10.537]	504,155	2.003	68,086	41,181	26,905
<b>1 Instrument: Lagged Value</b>	0.000	144.84	9.954	[9.665, 10.537]	504,114	2.003	68,086	41,181	26,905
<b>Gini (Net)</b>									
<b>2 Instruments: Lagged Value + First Factor</b>	0.000	31.92	30.170	[28.103, 46.675]	487,189	2.008	65,465	11,376	54,089
<b>1 Instrument: First Factor</b>	0.000	85.56	39.574	[36.851, 46.675]	486,689	2.007	65,465	40,653	24,812
<b>1 Instrument: Lagged Value</b>	0.000	31.88	30.170	[28.103, 46.675]	487,190	2.008	65,465	11,376	54,089
<b>Democracy</b>									
<b>2 Instruments: Lagged Value + First Factor</b>	0.000	55.46	6	[-5.6, 9]	517,874	2.011	69,342	16,793	52,549
<b>1 Instrument: First Factor</b>	0.000	74.96	9	[-5.6, 9]	517,702	2.011	69,342	39,875	29,467
<b>1 Instrument: Lagged Value</b>	0.000	55.51	6	[-5.6, 9]	517,874	2.011	69,342	16,793	52,549
<b>Importance of God</b>									
<b>2 Instruments: Lagged Value + First Factor</b>	0.000	116.98	8.25	[5.089, 9.597]	392,909	2.002	53,110	25,788	27,322
<b>1 Instrument: First Factor</b>	0.000	115.28	8.25	[5.089, 9.597]	392,924	2.002	53,110	25,788	27,322
<b>1 Instrument: Lagged Value</b>	0.000	116.94	8.25	[5.089, 9.597]	392,910	2.002	53,110	25,788	27,322

Table A10: **Threshold Regressions - Alternative Instrument Specifications**

This table presents the linear model and regime-specific coefficient estimates of the threshold regression (Low and High regimes and the difference of the regression coefficients between the low and high regimes) using alternative instrument specifications: Using both the lagged value of the threshold variable and the first factor of an array of deep root (time-invariant) country attributes (this is the baseline model), as well as using just the lagged value and just the first factor. Heteroskedasticity consistent standard errors, clustered at the country level, are given in the parenthesis. All models include constant, age and age square, country and time fixed effects. \*\*\*, \*\*, and \* indicate the significance of the regression coefficients at 1

Regime	Prefer. for Redistr. (Country)			General Trust			GDP per Capita		
	Low	High	Diff.	Low	High	Diff.	Low	High	Diff.
	<b>Female</b>								
<b>2 Instruments: Lagged Value+First Factor</b>	-0.042	0.138***	-0.180***	0.001	0.169***	-0.169***	0.050*	0.123***	-0.073*
<b>1 Instrument: First Factor</b>	-0.042	0.138***	-0.180***	0.001	0.169***	-0.169***	0.050*	0.123***	-0.073*
<b>1 Instrument: Lagged Value</b>	-0.042	0.138***	-0.180***	0.001	0.169***	-0.169***	0.050*	0.123***	-0.073*
	<b>Married</b>								
<b>2 Instruments: Lagged Value+First Factor</b>	-0.131***	0.018	-0.149**	0.013	-0.065*	0.078	-0.013	0.008	-0.022
<b>1 Instrument: First Factor</b>	-0.130***	0.018	-0.148**	0.013	-0.065*	0.078	-0.013	0.008	-0.022
<b>1 Instrument: Lagged Value</b>	-0.131***	0.018	-0.149**	0.013	-0.065*	0.078	-0.013	0.008	-0.022
	<b>Unemployed</b>								
<b>2 Instruments: Lagged Value+First Factor</b>	0.357***	0.070	0.286***	0.136**	0.240***	-0.104	0.109**	0.310***	-0.201**
<b>1 Instrument: First Factor</b>	0.357***	0.070	0.286***	0.136**	0.241***	-0.104	0.109**	0.311***	-0.202**
<b>1 Instrument: Lagged Value</b>	0.357***	0.070	0.287***	0.136**	0.240***	-0.104	0.109**	0.310***	-0.201**
	<b>Secondary</b>								
<b>2 Instruments: Lagged Value+First Factor</b>	-0.189***	-0.160***	-0.029	-0.108**	-0.247***	0.139**	-0.187***	-0.173***	-0.014
<b>1 Instrument: First Factor</b>	-0.189***	-0.160***	-0.029	-0.108**	-0.247***	0.139**	-0.187***	-0.173***	-0.014
<b>1 Instrument: Lagged Value</b>	-0.189***	-0.160***	-0.029	-0.108**	-0.247***	0.139**	-0.187***	-0.173***	-0.014
	<b>Tertiary</b>								
<b>2 Instruments: Lagged Value+First Factor</b>	-0.039	-0.250***	0.211***	-0.225***	-0.156***	-0.069	-0.255***	-0.090*	-0.165**
<b>1 Instrument: First Factor</b>	-0.039	-0.251***	0.212***	-0.225***	-0.156***	-0.069	-0.255***	-0.090*	-0.165**
<b>1 Instrument: Lagged Value</b>	-0.039	-0.250***	0.211***	-0.225***	-0.156***	-0.069	-0.255***	-0.090*	-0.165**
	<b>Income</b>								
<b>2 Instruments: Lagged Value+First Factor</b>	-0.137***	-0.125***	-0.012	-0.120***	-0.143***	0.023*	-0.125***	-0.145***	0.020*
<b>1 Instrument: First Factor</b>	-0.138***	-0.125***	-0.012	-0.120***	-0.143***	0.023*	-0.125***	-0.145***	0.020*
<b>1 Instrument: Lagged Value</b>	-0.137***	-0.125***	-0.012	-0.120***	-0.143***	0.023*	-0.125***	-0.145***	0.020*

Table continued on next page ...

Table A10 continued

Regime	Gini(Net)			Democracy			Importance of God		
	Low	High	Diff.	Low	High	Diff.	Low	High	Diff.
<b>Female</b>									
<b>2 Instruments: Lagged Value+First Factor</b>	0.076*	0.091***	-0.015	-0.002	0.105***	-0.107**	0.158***	0.010	0.147***
<b>1 Instrument: First Factor</b>	0.078***	0.115***	-0.037	0.059**	0.104***	-0.045	0.157***	0.010	0.147***
<b>1 Instrument: Lagged Value</b>	0.076*	0.091***	-0.015	-0.002	0.105***	-0.107**	0.158***	0.010	0.147***
<b>Married</b>									
<b>2 Instruments: Lagged Value+First Factor</b>	0.051	-0.043	0.094	0.032	-0.035	0.067	-0.081**	0.039	-0.120**
<b>1 Instrument: First Factor</b>	-0.001	-0.051	0.050	0.005	-0.011	0.016	-0.081**	0.039	-0.120**
<b>1 Instrument: Lagged Value</b>	0.051	-0.043	0.094	0.032	-0.035	0.067	-0.081**	0.039	-0.120**
<b>Unemployed</b>									
<b>2 Instruments: Lagged Value+First Factor</b>	0.163	0.144***	0.019	0.142*	0.151***	-0.009	0.210***	0.112*	0.099
<b>1 Instrument: First Factor</b>	0.213***	0.075	0.138*	0.091*	0.290***	-0.199**	0.209***	0.112*	0.098
<b>1 Instrument: Lagged Value</b>	0.163	0.144***	0.019	0.142*	0.151***	-0.009	0.210***	0.112*	0.099
<b>Secondary</b>									
<b>2 Instruments: Lagged Value+First Factor</b>	-0.165**	-0.202***	0.038	-0.186***	-0.193***	0.007	-0.277***	-0.084*	-0.193***
<b>1 Instrument: First Factor</b>	-0.186***	-0.207***	0.022	-0.155***	-0.248***	0.093	-0.277***	-0.084*	-0.193***
<b>1 Instrument: Lagged Value</b>	-0.165**	-0.202***	0.038	-0.186***	-0.193***	0.007	-0.277***	-0.084*	-0.193***
<b>Tertiary</b>									
<b>2 Instruments: Lagged Value+First Factor</b>	-0.106	-0.207***	0.101	-0.222***	-0.188***	-0.035	-0.194***	-0.192***	-0.002
<b>1 Instrument: First Factor</b>	-0.125***	-0.293***	0.168**	-0.208***	-0.172***	-0.036	-0.195***	-0.192***	-0.003
<b>1 Instrument: Lagged Value</b>	-0.106	-0.208***	0.101	-0.222***	-0.188***	-0.035	-0.194***	-0.192***	-0.002
<b>Income</b>									
<b>2 Instruments: Lagged Value+First Factor</b>	-0.164***	-0.127***	-0.037***	-0.168***	-0.121***	-0.047***	-0.137***	-0.124***	-0.013
<b>1 Instrument: First Factor</b>	-0.151***	-0.107***	-0.044***	-0.120***	-0.145***	0.026**	-0.137***	-0.124***	-0.013
<b>1 Instrument: Lagged Value</b>	-0.164***	-0.127***	-0.037***	-0.168***	-0.121***	-0.047***	-0.137***	-0.124***	-0.013